

December 4, 2015

Marlene H. Dortch, Secretary Federal Communications Commission 445 Twelfth Street, S.W. Washington, D.C. 20554

Re: Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

On October 8, 2015, the FCC Wireline Competition Bureau (WCM) released A-CAM Report Version 3.0 and its illustrative results for rate-of-return carriers by Public Notice DA 15-1154. That report showed Hospers Telephone Company (HTC or Hospers) has 825 locations within its service territory, but only 43 locations eligible for model-based support. This differed substantially from A-CAM Report Version 1.1 released in March 2015. Those earlier illustrative results (specifically Report 1.3) showed Hospers with 343 locations eligible for support.

After further analysis, Vantage Point Solutions has determined that some of HTC's own coaxial-based service offerings are inappropriately being characterized by the model as unsubsidized competitors and are therefore knocking census blocks out of model-based funding. Vantage Point hereby respectfully requests the WCB correct this inaccuracy.

## **BACKGROUND**

HTC is an ILEC headquartered in Hospers, IA serving 471 rural customers in northwest Iowa. HTC utilizes a variety of technologies, including those utilizing coaxial cable and fiber, to serve the 191 census blocks within its study area (SAC 351202). HTC itself owns and operates the network utilized within that study area. No HTC affiliate offers service in its incumbent service territory.

## UNSUBSIDIZED COMPETITORS

Attachments A, B, and C show geographically where, according to recently-released 477 data, HTC's competitors offer qualifying service. Those competitors appear to be serving 45 census

blocks within study area 351202. The A-CAM shows that 138 census blocks are removed from support, however, including 117 census blocks served by a cable provider. According to the 477 data, HTC is the only coaxial-based CATV provider serving that area. As such, it is clear that Hospers' own facilities are knocking census blocks out of model-based funding.

## COAXIAL PLANT SLATED FOR RETIREMENT

Hospers has recently deployed a fiber-to-the-premises (FTTP) solution to each of its customer locations. Its coaxial facilities have been in place for 20 years and are fully depreciated. All coaxial plant is targeted for retirement this year (December 31, 2015), after which all customer services will be provided over the FTTP network. No costs associated with the coaxial plant have been recovered through the Universal Service Fund and no voice service is offered over that network. The universal service system has not and will not be injured or disadvantaged by Hospers' operation and impending retirement of this network and the old CATV system should not be considered an unsubsidized competitor under the FCC's rules.

## LOOKING FORWARD

But for the inaccurate characterization of 117 census blocks as being served by an unsubsidized competitor, HTC would be a model winner. Although significant additional funding will likely not be available to companies with high rates of 10/1 deployment, Hospers Telephone Company would likely embrace the new regulatory framework of model-based funding. To use HTC's own soon-to-be-retired facilities against it in the A-CAM is not consistent with FCC rules and does not further universal service goals.

Accordingly, Vantage Point Solutions respectfully requests the WCB correct this inaccuracy for Hospers Telephone Company and for other, similarly-situated rural providers. If any additional information on this matter can be helpful to the FCC, please let us know.

Sincerely,

Dustin "Dusty" Johnson Vice President of Consulting





